COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

101ST GENERAL ASSEMBLY

BILL NO: **HB 4852** February 14, 2020

SPONSOR (S): Stuart

SYSTEM(S): Downstate Police, Illinois Municipal Retirement Fund Articles

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FISCAL IMPACT: HB 4852 allows individuals to transfer creditable service to an Article 3 (Downstate Police) fund from IMRF for up to 6 months after the effective date. To make this transfer and establish service credit in the Downstate Police fund, the member must transfer employee and employer contributions made on behalf of the member under IMRF, plus interest at the Downstate Police pension fund's actuarially assumed rate of return, from the date of service to the date of payment. The number of police officers who will transfer service credit under this provision is not known.

IMRF notes that there have generally not been more than 2-3 members who have chosen to make these IMRF-Downstate Police transfers when past service credit transfer windows have been opened.

SUBJECT MATTER: HB 4852 amends the Downstate Police and Illinois Municipal Retirement Fund Articles of the Pension Code to allow individuals to transfer creditable service to an Article 3 (Downstate Police) fund from IMRF no later than 6 months after the effective date of the bill.

COMMENT: HB 4852 provides that, no later than 6 months after the bill's effective date, a person may transfer creditable service accumulated in IMRF as a sheriff's law enforcement employee, as a municipal police officer, or law enforcement officer employed on a full-time basis by a forest preserve district to an Article 3 (Downstate Police) fund. The service would be transferred upon payment equal to: (i) the difference between the amount of employee and employer contributions transferred to the fund and the amounts that would have been contributed had such contributions been made at the rate applicable to Downstate Police pension fund members, plus (ii) interest at the actuarially assumed rate from the date of service to the date of payment.

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